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AND
CONSUMER ADVOCATE

THE STATE OF SOUTH CAROLINA

DEPARTMENT OF CONSUMER AFFAIRS

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2002-408-C

December 2, 2002

Honorable Gary E. Walsh
South Carolina Public Service Commission
P.O. Drawer 11649
Columbia, South Carolina 29211

Re: Verizon South, Inc. and Verizon South Carolina
Tariff Nos. 2002-473 and 2002-474

Dear Mr. Walsh:

As set forth in the Notices issued by the Commission on November 14, 2002, Verizon South and Verizon South Carolina ("Verizon") have notified the Commission of their pending increase in basic local exchange telephone rates for residential one party and business one party customers. Verizon has operated under alternative regulation pursuant to S.C. Code Ann. Section 58-9-576 for two years, and is apparently availing itself of the provision of that Code section that allows for adjustment of those rates "on an annual basis pursuant to an inflation-based index". To date, this filing represents the first time a LEC operating under Section 58-9-576 alternative regulation has attempted to raise its basic rates.

Much like the term "abuse of market position", the Commission has not defined or otherwise interpreted what "inflation-based index" means in the context of a LEC's operations under Section 58-9-576. The Consumer Advocate believes it is clear that the section does not contemplate simply allowing a LEC to raise rates by the rate of inflation. Inflation is a factor in the index, but it is not inflation alone. A "productivity factor" offset to inflation, such as the one approved by this Commission for BellSouth under its former alternative regulation plan under Section 58-9-575, may be appropriate. In addition, the Commission also needs to determine the appropriate inflation index to use for companies operating under Section 58-9-576, instead of each LEC unilaterally choosing,

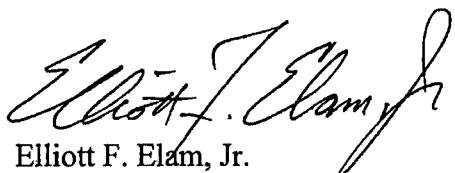


Honorable Gary E. Walsh
December 2, 2002
Page 2

perhaps differing indexes. Verizon has informed the Consumer Advocate that it is using GDP-PI, but at this point, it is not clear whether or not that is the appropriate index for use in these circumstances.

The Consumer Advocate believes that it is important to resolve these issues, either in these filings or in a generic proceeding, prior to rate increases going into effect under Section 58-9-576. Therefore, please treat this letter as a Complaint alleging that Verizon is not following the procedures set forth in Section 58-9-576. Inflation-based index does not mean raising rates by the inflation rate. Therefore, Verizon is in violation of this section. The Consumer Advocate requests that the Commission hold a hearing to address that violation, and to define the term "inflation-based index" for purposes of local rate increases under Section 58-9-576.

Sincerely,



Elliott F. Elam, Jr.
Acting Consumer Advocate

cc: Stan J. Bugner
Steven W. Hamm, Esquire

VERIZON SOUTH, INC. FILES TARIFF REVISIONS

Verizon South, Inc., in its General Customer Services Tariff, is making revisions to increase its residential one party and business one party customer rates.

A copy of the proposal is on file in the offices of the Public Service Commission of South Carolina, Synergy Business Park, 101 Executive Center Drive, Columbia, South Carolina, and is available through Mr. Stan J. Bugner, State Director, Verizon Communications, Bank of America Tower, 1301 Gervais Street, Suite 825, Columbia, SC 29201.

This tariff was filed in accordance with Section 58-9-576 of the South Carolina Code of Laws. The date of filing was November 14, 2002 and the effective date of such change is November 28, 2002. Please refer to Tariff No. 2002-473 if inquiring into this matter. The deadline for protest is 30 days from the date of filing.

Persons seeking information about the Commission's Procedures should contact the Commission by dialing (803) 896-5105.

GARY E. WALSH
Executive Director
Public Service Commission of South Carolina
P.O. Drawer 11649
Columbia, SC 29211

11-14-02

Regulatory & Governmental Affairs

TN2002-473

The Verizon logo, featuring a red checkmark above the word "verizon" in a bold, sans-serif font.

1301 Gervais St. - Suite 825
Columbia, SC 29201

Phone 803 254-5736
Fax 803 254-9626

November 14, 2002

Mr. Wayne Burdett, Director
Utilities Department
South Carolina Public Service Commission
Synergy Business Center
101 Executive Center Drive
Columbia, South Carolina 29210

RECEIVED
2002 NOV 14 PM 4:36
SOUTH CAROLINA
PUBLIC SERVICE
COMMISSION

Dear Mr. Burdett:

Attached are copies of the following tariff page(s) for review and approval by the South Carolina Commission:

Verizon South Inc.
Verizon South Carolina
General Customer Services Tariff

Section S3

-

Fourteenth Revised Page 2

This annual filing updates residential one party and business one party customer rates based on Consumer Price Index formula.

Pursuant to South Carolina Code Section Ann. 58-9-576, Verizon is requesting that this filing to be effective within 16 days of receipt of this correspondence.

Very truly yours,

A handwritten signature in blue ink that reads "Stan J. Bugner" with a stylized flourish at the end.

STAN J. BUGNER
State Director

SJB/wrr

VERIZON SOUTH INC.

Fourteenth Revised Page 2

Section 3

EFFECTIVE:

ISSUED:

BY: Vice President
Durham, North Carolina

S3. BASIC LOCAL EXCHANGE SERVICE

S3.2 Local Exchange Service Line (Continued)

S3.2.1 General (Continued)

a. Flat Rate Service

(1) Rate Group Schedule and Charges

The rate group schedule is applied on the basis of the number of primary telephones and automatic access lines within the local calling areas, including the primary telephones and automatic access lines of other telephone companies, within the same local calling area.

<u>Class and Grade of Service</u>	<u>Rate Group 1 0-6,250</u>		<u>Rate Group 2 6,251 and Up</u>	
	<u>Dial Tone Access Line Rate</u>	<u>Unlimited Usage Rate</u>	<u>Dial Tone Access Line Rate</u>	<u>Unlimited Usage Rate</u>
<u>BUSINESS</u>				
One Party	\$21.36 (I)	\$ 8.70	\$21.39 (I)	\$11.71
Automatic Access Line				
First 10 lines, each	21.04	18.27	21.04	18.27
Add'l. lines (11 and above), each	21.04	9.64	21.04	13.24
Semipublic (Flat Rate)	21.04	38.91	21.04	45.57
<u>RESIDENCE</u>				
One Party	10.39 (I)	3.83	10.41 (I)	5.72

EXCHANGES

Bishopville
Ehrhardt
Fairfax-Brunson
Hemingway
Johnsonville
McCormick
Olar
Winnsboro
Yemassee

EXCHANGES

Abbeville
Andrews
Calhoun
Falls
Conway
Georgetown
Hollywood
Kingstree
Lake City
Lamar
Laurens
Manning
Myrtle Beach
N. Myrtle Beach
Olanta
Pamplico
Pawleys Island
Shaw (AFB)
Heights
Summerton
Sumter
Walterboro
Woodruff

NOTE: Refer to S4.2.1 for application of Service Charges in the Link-Up South Carolina Program.

VERIZON SOUTH CAROLINA FILES TARIFF REVISIONS

Verizon South, Inc., d/b/a Verizon South Carolina (formerly Contel Properties), in its P.S.C. – S.C. No. 1 Tariff, is making revisions to increase its residential one party and business one party customer rates.

A copy of the proposal is on file in the offices of the Public Service Commission of South Carolina, Synergy Business Park, 101 Executive Center Drive, Columbia, South Carolina, and is available through Mr. Stan J. Bugner, State Director, Verizon Communications, Bank of America Tower, 1301 Gervais Street, Suite 825, Columbia, SC 29201.

This tariff was filed in accordance with Section 58-9-576 of the South Carolina Code of Laws. The date of filing was November 14, 2002 and the effective date of such change is November 28, 2002. Please refer to Tariff No. 2002-474 if inquiring into this matter. The deadline for protest is 30 days from the date of filing.

Persons seeking information about the Commission's Procedures should contact the Commission by dialing (803) 896-5105.

GARY E. WALSH
Executive Director
Public Service Commission of South Carolina
P.O. Drawer 11649
Columbia, SC 29211

11-14-02

Regulatory & Governmental Affairs

TN 2002-474

verizon

1301 Gervais St. - Suite 825
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Phone 803 254-5736
Fax 803 254-9626

November 14, 2002

Mr. Wayne Burdett, Director
Utilities Department
South Carolina Public Service Commission
Synergy Business Center
101 Executive Center Drive
Columbia, South Carolina 29210

Dear Mr. Burdett:

Attached are copies of the following tariff page(s) for review and approval by the South Carolina Commission:

Verizon South Inc.
d/b/a Verizon South Carolina
P.S.C. – S.C. No. 1

Section 3	-	Seventeenth Revised Sheet 3
	-	Eighteenth Revised Sheet 5
	-	Eighteenth Revised Sheet 7
	-	Sixteenth Revised Sheet 9
	-	Thirteenth Revised Sheet 11

This annual filing updates residential one party and business one party customer rates based on Consumer Price Index formula.

Pursuant to South Carolina Code Section Ann. 58-9-576, Verizon is requesting that this filing to be effective within 16 days of receipt of this correspondence.

Very truly yours,

Wanda R. Rodgers (for)
STAN J. BUGNER
State Director

SJB/wtr

RECEIVED
2002 NOV 14 PM 4:36
SC PUBLIC SERVICE
COMMISSION

ISSUED:
BY: Vice President
Durham, North Carolina

LOCAL EXCHANGE SERVICE

BOWMAN

1. Except as otherwise provided, the rates and regulations contained in the General Exchange Tariff are made a part of this Local Exchange Tariff.
2. The rates specified herein, entitle subscribers to an unlimited number of messages to all stations bearing the designation of Bowman and Orangeburg*, South Carolina.
- 3.

RATES AND THEIR APPLICATION

- A. Within the Exchange Service Area, i.e., the Exchange Service Area Map filed herewith.

	<u>1-Party</u>	<u>P.B.X. Trunk</u>	<u>Semi-Public</u>	<u>Rotary¹</u>
Business	\$30.62 (I)	\$39.31	\$29.27	\$9.01
Residence	15.74 (I)	-	-	-

- B. Conditions

1. The rates set forth above are for a minimum one month period.
2. Applicable taxes levied by state, county and local taxing authorities are added to the above rates.
- 3.

¹ - The rate for each individual rotary line in use is the applicable monthly rate for one-party service, in addition to the rate for each rotary number.

* Extended Area Service

ISSUED:
BY: Vice President
Durham, North Carolina

LOCAL EXCHANGE SERVICE

ELLOREE

1. Except as otherwise provided, the rates and regulations contained in the General Exchange Tariff are made a part of this Local Exchange Tariff.
2. The rates specified herein, entitle subscribers to an unlimited number of messages to all stations bearing the designation of Elloree and Santee* South Carolina. Messages to Orangeburg**, South Carolina are subject to Extended Area Calling charges as specified in Section 3, Sheet 13.

RATES AND THEIR APPLICATION

- A. Within the Exchange Service Area, i.e., the Exchange Service Area Map filed herewith.

	<u>1-Party</u>	<u>P.B.X. Trunk</u>	<u>Semi-Public</u>	<u>Rotary</u> ¹
Business	\$28.92 (I)	\$39.31	\$25.05	\$10.69
Residence	14.28 (I)	-	-	7.01

- B. Conditions

1. The rates set forth above are for a minimum one month period.
2. Applicable taxes levied by state, county and local taxing authorities are added to the above rates.
- 3.

¹ - The rate for each individual rotary line in use is the applicable monthly rate for one-party service, in addition to the rate for each rotary number.

* Extended Area Service.

** Extended Area Calling

ISSUED:

BY: Vice President
Durham, North Carolina

LOCAL EXCHANGE SERVICE

Santee

1. Except as otherwise provided, the rates and regulations contained in the General Exchange Tariff are made a part of this Local Exchange Tariff.
2. The rates specified herein, entitle subscribers to an unlimited number of messages to all stations bearing the designation of Santee and Ellore* South Carolina. Messages to Orangeburg**, South Carolina are subject to Extended Area Calling charges as specified in Section 3, Sheet 13.

RATES AND THEIR APPLICATION

- A. Within the Exchange Service Area, i.e., the Exchange Service Area Map filed herewith.

	<u>1-Party</u>	<u>P.B.X. Trunk</u>	<u>Semi-Public</u>	<u>Rotary¹</u>
Business	\$28.92 (I)	\$39.31	\$25.05	\$10.69
Residence	14.28 (I)	-	-	7.01

- B. Conditions

1. The rates set forth above are for a minimum one month period.
2. Applicable taxes levied by state, county and local taxing authorities are added to the above rates.
- 3.

¹ - The rate for each individual rotary line in use is the applicable monthly rate for one-party service, in addition to the rate for each rotary number.

* Extended Area Service.

** Extended Area Calling.

ISSUED:
BY: Vice President
Durham, North Carolina

LOCAL EXCHANGE SERVICE

JACKSON

1. Except as otherwise provided, the rates and regulations contained in the General Exchange Tariff are made a part of this Local Exchange Tariff.
2. The rates specified herein, entitle subscribers to an unlimited number of messages to all stations bearing the designation of Jackson, North Augusta*, Beech Island*, Aiken*, Bath* and New Ellenton*, South Carolina.
- 3.

RATES AND THEIR APPLICATION

- A. Within the Exchange Service Area, i.e., the Exchange Service Area Map filed herewith.

	<u>1-Party</u>	<u>P.B.X. Trunk</u>	<u>Semi- Public</u>	<u>Rotary Line Service¹</u>
Business	\$32.65 (I)	\$39.31	\$35.71	\$7.00
Residence	16.13 (I)	-	-	9.92

- B. Conditions

1. The rates set forth above are for a minimum one month period.
2. Applicable taxes levied by state, county and local taxing authorities are added to the above rates.

¹ The rate for each individual rotary line in use is the applicable monthly rate for one-party service, in addition to the rate for each rotary number.

* Extended Area Service.

ISSUED:

BY: Vice President
Durham, North Carolina

LOCAL EXCHANGE SERVICE

SIMPSONVILLE

1. Except as otherwise provided, the rates and regulations contained in the General Exchange Tariff are made a part of this Local Exchange Tariff.
2. The rates specified herein, entitle subscribers to an unlimited number of messages to all stations bearing the designation of Simpsonville, Greenville*, and Fountain Inn*.
- 3.

RATES AND THEIR APPLICATION

- A. Within the Exchange Service Area, i.e., the Exchange Service Area Map filed herewith.

	<u>1-Party</u>	<u>P.B.X. Trunk</u>	<u>Semi- Public</u>	<u>Rotary Line Service</u> ¹
Business	\$32.65 (I)	\$39.31	\$42.82	\$7.00
Residence	16.13 (I)	-	-	9.92

- B. Conditions

1. The rates set forth above are for a minimum one month period.
2. Applicable taxes levied by state, county and local taxing authorities are added to the above rates.

¹ The rate for each individual rotary line in use is the applicable monthly rate for one-party service, in addition to the rate for each rotary number.

* Extended Area Service.